# White Paper on how the property taxing structure and land use development interact in Teton County Idaho.

# **Teton County Planning & Building Department- May 2015**

Teton County saw unpresented growth in the 1990's and early 2000's (population grew from 3,458 in 1990 to 10,170 in 2010)¹. This growth placed increased demands on existing services, along with creating a need for additional services. In the public sector, or government, those services are paid with taxes. In Idaho, and specifically Teton County, property taxes account for 48%² of the revenue for 2014 fiscal year, paying for services such as road maintenance, police protection, licensing, building review and inspection, mapping, weed control, mosquito control, elections, among others. This paper seeks to explore the relationship of development (commercial and residential) with taxes and services. By understanding this relationship, we can make more informed choices about taxes, services, and development.

# **County Taxing System**

In the state of Idaho, "property taxes are used to pay for schools, cities, counties, local law enforcement, fire protection, highways, libraries, and more. The state oversees local property tax procedures to make sure they comply with Idaho laws. Most homes, farms, and businesses are subject to property tax. Taxes are determined according to a property's current market value minus any exemptions. For example, homeowners of owner-occupied property may qualify for a partial exemption."<sup>3</sup>

The amount of taxes paid by a community is determined by the budgetary needs of the taxing district. In 1995 the state of Idaho passed legislation that limited property tax funded budgets (such as Teton County) to the highest from the prior 3 years plus 3%<sup>4</sup>. This in essence froze the budgets of taxing entities, and limited their budgetary expansion to 3%. This is important to remember because even if a population of a community increases by 200% or if the cost of equipment, material, labor or providing a service increases by 10%, the county can only increase the budgeted amount (or amount collected) by 3% each year. Another point worth noting, is that the average yearly inflation rate since 1995 (when the 3% cap was put in place) is 2.375%<sup>5</sup>, so the allowed increase covers the amount of average inflation plus a .625% increase in cost of services or increase cost due to growth, supply or increased demand.

The county budgeting process works by first determining the amount of taxes needed to provide the necessary services. Once the total amount of taxes needed is identified, the amount of taxes paid by each individual property is determined based upon their market value, the uses of their land and the location of the land. In 2014 the total valuation for both real and personal property in Teton County was \$1,303,318,422. Of this amount, 11.25% (\$146,664,274) was in Agricultural Land, 6.6% (\$8,5634,557) was land in the Cities, 18.45% (\$240,514,640) was land in Rural Residential Subdivisions. The value of

<sup>&</sup>lt;sup>1</sup> https://www.google.com/search?q=teton+county+idaho+poulation+change+1990-2015&rlz=1C1EODB enUS584US584&oq=teton+county+idaho+poulation+change+1990-

<sup>2015&</sup>amp;aqs=chrome..69i57j69i64.12663j0j4&sourceid=chrome&es\_sm=93&ie=UTF-

<sup>8#</sup>q=teton+county+idaho+population+1990

<sup>&</sup>lt;sup>2</sup> Teton County, Idaho- Independent Auditors' Report pg.8

<sup>&</sup>lt;sup>3</sup> http://tax.idaho.gov/i-1128.cfm

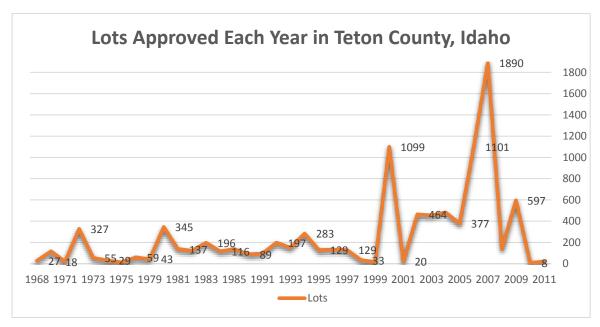
<sup>&</sup>lt;sup>4</sup> http://tax.idaho.gov/pubs/EPB00106 04-11-2014.pdf

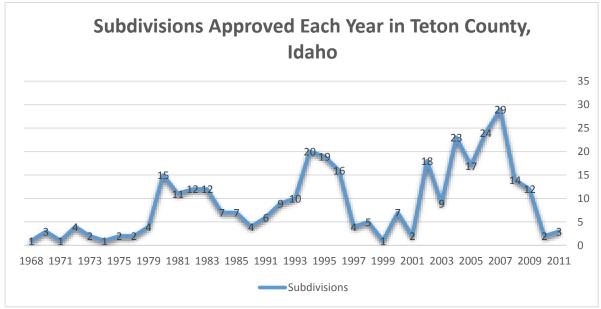
<sup>&</sup>lt;sup>5</sup> http://www.usinflationcalculator.com/inflation/historical-inflation-rates/

improvements, such as buildings, on that land includes 1.9% (\$25,284,163) on Agricultural Land, 27.9% (\$363,357,488) in Residential Subdivisions, and 4% (\$52428,761) in Commercial buildings. Even though the valuation of a certain type of building or type land may equal 10% of the total valuation of the county, it does not translate into that that category paying 10% of the taxes. Each category of land or improvement is taxed at a different rate. This levy rate does change every year with added buildings and the change in total taxes needed. As a whole Teton County has the 15<sup>th</sup> lowest combined tax levy rate (1.0870%), 20<sup>th</sup> lowest rural (1.0300%) and 9<sup>th</sup> lowest urban tax levy rate (1.2890%) among the 45 counties in Idaho.

# **Land Development**

In rural Teton County, land speculation and residential development began to increase at a rapid rate starting in the 1990's.





In 2007 alone, 1,890 new lots were created through 29 new subdivisions. That is a new subdivision every other week. Bear in mind that not all of these lots were completed the same year they were approved, or even at this time. As of 2010, only about 17% of the lots that had been created since 1990 were actually built on. That number is closer to 20% in 2015, meaning that 80% of the lots that have been created since 1990 have no buildings on them; they are still sitting vacant.<sup>6</sup>

## **Services Provided**

The purpose of local governments is to provide representation in decision making and services to the citizens. In Teton County, Idaho, property taxes are collected from property owners to pay for:

- Schools (Teton School District #401)
- Fire Protection (Teton County Fire District)
- Cemeteries (Bates, Cache-Clawson, Driggs-Darby, Felt, Haden and Victor Cedron)
- Libraries
- Mosquito Abatement
- Ambulance services
- County Services:
  - o Roads/Public Works
  - Elections
  - Courts
  - Fair Grounds
  - Law Enforcement
  - Prosecuting Attorney
  - Property records
  - Vehicle/Driver licensing
  - Planning/Land Use services
  - Building services
  - Coroner
  - Weed control
  - Emergency Services
  - Solid waste
  - GIS Services
- City Services:
  - Roads
  - Public Works (water & sewer)
  - Parks
  - Business licensing
  - Planning/Land Use services
  - Building services
  - Community Development

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<sup>&</sup>lt;sup>6</sup> Teton County GIS data.

As you can see, there are numerous service that compete for the property tax funds. With Teton County being a rural county, most of these services are rather small scale, or limited, in comparison to urban counties. There is often a single person responsible for multiple services. For example, currently, mosquito abatement and emergency services all fall under one position.

#### Level of service

To understand the cost of development, we must understand the cost of the services provided by the county. There are several ways of determining the cost of the services. One way is to look at what the cost of each of the services per one acre of land. This is done by dividing the total cost of a service (determined by the yearly budget for that service) by the total number of acres served by that service. This approach may be helpful for commercial property, or property where the service is not tied to residents. Another approach to determine the cost of services is to divide the total cost of a service by the population receiving that service. This is helpful for most services because they are driven or needed for the residents that live here as opposed to the land that is within the county. This approach does assume that indirect costs (costs not attributed to a specific activity, such as maintenance of buildings, human resources, or supplies/stationary used by staff), and direct costs (building permit issuance and inspection, sheriff's response to a call, or grading of a specific road), should be averaged out over the population. The assumption is that as the number of citizens increase, the number of services provided would increase at a proportional rate.

Table:1- Cost of Services Per Resident									
Service (Percentage of total taxes paid to this service)	Cost								
Cemetery Budget (total of all cemeteries) (1.1%)†	\$147,072.00								
cost per resident (county average)	\$14.31								
Library Budget (1.6%)	\$220,088.00								
cost per resident	\$21.42								
Mosquito (1.9%)	\$261,637.00								
cost per resident	\$25.46								
Ambulance (3.6%)‡	\$498,434.00								
cost per resident	\$48.51								
R&B Levy (7.2%)	\$1,000,000.00								
cost per resident	\$97.32								
Fire (14.2%)††	\$1,970,063.00								
cost per resident	\$191.73								
School (37.7%)	\$5,249,080.00								
cost per resident	\$510.86								
County (27.2%)	\$3,785,311.00								
cost per resident	\$368.40								
Cities (5.6%) ‡‡	\$777,324.00								
cost per resident (Driggs)	\$240.23								
cost per resident (Tetonia)	\$93.15								
cost per resident (Victor)	\$182.91								
Population*	10,275								

Population*	10,275
Total Property taxes collected**	\$13,909,009.00

<sup>†</sup>Each Cemetery has its own Levy Rate, This is the average of all the levy rates; ‡The valuation of Agricultural Land is not included in the calculation of this amount:

Using this approach, the cost of services for Teton County residents (in the tax year 2013) can be found in Table 1.

 $<sup>^{++}</sup>$  The valuation of Agricultural Land & Operating Land (Railroad or Utility) is not included in the calculation of this amount.

<sup>‡‡</sup>Only land within city limits is included here.

It is important to remember that this is not necessarily how much each property pays, but rather how much those services cost per resident. Other entities, such as manufacturing and commercial properties, pay taxes as well, which would bring down the amount paid by each residential property.

# **Examples of residential development**

To better understand the cost of development, it is beneficial to examine several case studies, or examples, of subdivisions and their impact on taxes in the county. Four subdivisions were chosen with varying size, location, density, and year they were approved. The four subdivisions include:

1. Humble Creek Ranches - Approved in 1993, Humble Creek Ranches consists of 14 lots on just over 60 acres in the Victor Area of Impact. There was no open space dedicated when the subdivision was approved. The average lot size is 4.33 acres. As of 2015, eight (8) of the 14 lots have homes constructed on them.



2. Paradise Springs PUD- This subdivision was approved in 2006 with 9 lots on 34 acres. It is located in the southwest corner of Teton Valley. Nearly half of the subdivision, 15.81 acres, was dedicated as open space (both as part of the lots and as open space lots). The average lot size is 1.75 acres (excluding the open space). There are currently three (3) houses in this subdivision.



3. Red Fox Ranch- This is the oldest subdivision of the group, being approved in 1980 (it was amended in 2002 to adjust several property lines, but no lots were added). It consists of 33 lots on 67.25 acres located on Ski Hill Road just outside the Driggs Area of Impact. The average lot size is 1.37 acres, and there is no dedicated open space in the development. In 2015, there are 14 houses in this subdivision.



4. West Ridge Ranch PUD- Approved in 2007, this subdivision is located nearly due west from Tetonia off of 4000 North. It was approved to have 120 lots on 332.81 acres. Within the whole subdivision, there is 200.30 acres of open space (60.21%). Each lot in the subdivision is one (1) acre in size. There are currently six (6) homes constructed in this subdivision. The inability to find water for a second well has caused Idaho DEQ to put a limit of 20 connections on the single well until a second well can be approved.



#### Valuations and amount taxed

After identifying which subdivisions to use as examples, the next step entailed working with the Teton County Assessor's office to determine what an accurate estimate for valuation would be on these subdivisions if they were left as agricultural land and if they were built out. To determine the valuation, there are several factors that must be considered. For agricultural land, the location and quality of the ground is key. For this exercise, the Assessor utilized valuations of surrounding properties to identify an accurate valuation. For the valuation of a subdivision at build out, the two main parts of determining this value include the valuation of the lot and the valuation of the structures. Because each of these subdivisions do have some buildings and improved residential lots, the Assessor used an average of the lot value and building value for each subdivision. This allows the calculations to be more accurate because they are based on the subdivisions specifically, not on county wide valuations.

The first step was to examine what the cost vs. amount paid in taxes would be if the subdivisions had been left as agricultural land. The cost was based on the "cost per residence" model identified above. This assumption does allow the agricultural land to have zero cost to the county. Below are the results for each of the subdivisions (the cemetery district's levy amounts differ because the property fall in different districts).

## **Agricultural Land**

The tables below show what the results would be, tax wise, if the subdivisions would have remained in agricultural production. Overall, there would have been a minor, but positive, net benefit to the county through property taxes. The margin of benefit is not great, especially on the smaller parcels, but you can see that there is a benefit to the county, mainly due to the lack of demand on the services provided.

			Hum	ble Creek S	ubdivision as	Agricultura	l Land		
Acres		60.67	De	nsity	0	units/acre			
Residences		0	Population	on increase	0	people			
	1		Land			' '	Improvement	\$	
Val	uations		Valuation	\$12,721.08	per lot	\$12,721.08	Valuation	-	
					,				
Service	Cemetery	Library	Mosquito	Ambulance	R&B Levy	Fire	School	County	
Levy									
Amount	0.000161021	0.000168239	0.0002	-	0.000749823	-	0.003961409	0.002893557	
Taxes paid	\$2.05	\$2.14	\$2.54	-	\$9.54	-	\$50.39	\$36.81	
	Cost		Prope	rty Cost		Property	/ Taxes Paid		Gain/Loss
Cemetery	\$147,072.00		\$0.00			\$2.05			\$2.05
cost per									
resident	\$14.31								
Library	\$220088.00		\$0.00			\$2.14			\$2.14
cost per									
resident	\$43.53								
Mosquito	\$261,637.00		\$0.00			\$2.54			\$2.54
cost per									
resident	\$25.46								
Ambulance	\$498,434.00		\$0.00			-			-
cost per									
resident	\$48.51								
R&B Levy	\$1,000,000.00		\$0.00			\$9.54			\$9.54
cost per									
resident	\$97.32								
Fire	\$1,970,000.00		\$0.00			-			-
cost per									
resident	\$191.73								
School	\$5,249,080.00		\$0.00			\$50.39			\$50.39
cost per									
resident	\$510.86								
County	\$3,785,311.00		\$0.00			\$36.81			\$36.81
cost per									
resident	\$368.40		\$0.00						
	Total Cost		\$0.00	Total Taxes F	Paid	\$103.47			\$103.47

			Para	dise Spring	s PUD Subdiv	vision as Agr	ricultural Land		
Acres		34	De	nsity	0	units/acre			
Residences		0	Populatio	n increase	0	people			
	•		Land				Improvement	\$	
Val	uations		Valuation	\$8489.80	per lot	\$8489.80	Valuation	-	
					,				
Service	Cemetery	Library	Mosquito	Ambulance	R&B Levy	Fire	School	County	
Levy									
Amount	0.000161021	0.000168239	0.0002	-	0.000749823	-	0.003961409	0.002893557	
Taxes paid	\$2.05	\$2.14	\$2.54	-	\$9.54	-	\$50.39	\$36.81	
(	Cost		Prope	rty Cost			erty Paid		Gain/Loss
Cemetery	\$147,072.00		\$0.00			\$ 1.67			\$ 1.67
cost per									
resident	\$14.31								
Library	\$220088.00		\$0.00			\$ 1.43			\$ 1.43
cost per	·								
resident	\$43.53								
Mosquito	\$261,637.00		\$0.00			\$ 1.70			\$ 1.70
cost per	1 2 /2 2		,						
resident	\$25.46								
Ambulance	\$498,434.00		\$0.00			\$ -			\$ -
cost per									
resident	\$48.51								
R&B Levy	\$1,000,000.00		\$0.00			\$6.37			\$6.37
cost per									
resident	\$97.32								
Fire	\$1,970,000.00		\$0.00			\$ -			\$ -
cost per									
resident	\$191.73								
School	\$5,249,080.00		\$0.00			\$33.63			\$33.63
cost per									
resident	\$510.86								
County	\$3,785,311.00		\$0.00			\$24.57			\$24.57
cost per									
resident	\$368.40		\$0.00						
	Total Cost		\$0.00	Total Taxes F	Paid	\$69.36			\$69.36

				Red Fox S	Subdivision a	s Agricultur	al Land		
Acres		67.25	De	nsity	0	units/acre			
Residences		0	Populatio	on increase	0	people			
Val	luations		Land Valuation	\$10,262.67	per lot	\$10,262.67	Improvement Valuation	\$	
Service	Cemetery	Library	Mosquito	Ambulance	R&B Levy	Fire	School	County	
Levy					_			•	
Amount	0.000161021	0.000168239	0.0002	=	0.000749823	-	0.003961409	0.002893557	
Taxes paid	\$.80	\$1.73	\$2.05	-	\$.08	-	\$40.65	\$29.70	
	Cost		Prope	rty Cost		Prope	erty Paid		Gain/Loss
_			4			\$ .80			\$ 1.67
Cemetery	\$147,072.00		\$0.00						
cost per	4								
resident	\$14.31					4.50			4
Library	\$220088.00		\$0.00			\$ 1.73			\$ 1.43
cost per	7220000.00		70.00						
resident	\$43.53								
resident	<del>у</del> 45.55					\$ 2.05			\$ 1.70
Mosquito	\$261,637.00		\$0.00			\$ 2.03			7 1.70
cost per									
resident	\$25.46								
						\$ -			\$ -
Ambulance	\$498,434.00		\$0.00						
cost per	4.4.								
resident	\$48.51					47.70			46.27
R&B Levy	\$1,000,000.00		\$0.00			\$7.70			\$6.37
cost per	\$1,000,000.00		\$0.00						
resident	\$97.32								
	Ţ5.13 <u>2</u>					\$ -			\$ -
Fire	\$1,970,000.00		\$0.00			,			, <u> </u>
cost per									
resident	\$191.73								
C-1I	¢5 240 000 00		¢0.00			\$40.65			\$33.63
School	\$5,249,080.00		\$0.00						
cost per	¢E10.00								
resident	\$510.86					\$29.70			\$24.57
County	\$3,785,311.00		\$0.00			ş29.70			- <del>3</del> 24.57
cost per	<del>+0,.00,011.00</del>		70.00						
resident	\$368.40		\$0.00						
	· ·	<u> </u>			•				
	Total Cost		\$0.00	Total Taxes F	Paid	\$95.11			\$95.11

			West	Ridge Rand	ch PUD Subdi	ivision as Ag	ricultural Land	d	
Acres		332.81	De	nsity	0	units/acre			
Residences		0		on increase	0	people			
	uations	-	Land Valuation \$74,839.63		per lot	\$74,839.63	Improvement Valuation	\$ -	
Service	Cemetery	Library	Mosquito	Ambulance	R&B Levy	Fire	School	County	
Levy		-							
Amount	0.000161021	0.000168239	0.0002	-	0.000749823	-	0.003961409	0.002893557	
Taxes paid	\$.80	\$1.73	\$2.05	-	\$.08	-	\$40.65	\$29.70	
	Cost		Prope	rty Cost			erty Paid		Gain/Loss
Cemetery	\$147,072.00		\$0.00			\$14.72			\$14.72
cost per resident	\$14.31								
Library	\$220088.00		\$0.00			\$ 12.59			\$ 12.59
cost per resident	\$43.53								
Mosquito	\$261,637.00		\$0.00			\$ 14.97			\$ 14.97
cost per									
resident	\$25.46								
Ambulance	\$498,434.00		\$0.00			\$ -			\$ -
cost per resident	\$48.51								
R&B Levy	\$1,000,000.00		\$0.00			\$ 56.12			\$ 56.12
cost per resident	\$97.32								
Fire	\$1,970,000.00		\$0.00			\$ -			\$ -
cost per resident	\$191.73		·						
School	\$5,249,080.00		\$0.00			\$ 296.47			\$ 296.47
cost per resident	\$510.86		·						
County	\$3,785,311.00		\$0.00			\$216.55			\$216.55
cost per resident	\$368.40		\$0.00						
	Total Cost		\$0.00	Total Taxes F	Paid	\$758.07			\$758.07

#### **Residential Land**

The next step is to examine these same subdivisions at build out. This will identify the per-citizen cost and what amount of taxes are paid to offset those costs, for each particular development. Once again, the data from the Assessor's office was used to determine the valuation of the whole subdivision as well as the average valuation for the buildings currently located within the subdivision.

Please keep in mind that this analysis is using averages. Not every individual or household uses the services provided the same. Some have never called out an ambulance, and some have an ambulance at their homes regularly. A simple average of, the budget amount for the service to be provided divided by the number of citizens, was used to determine the cost to each citizen. This is a basic approach and does not account for things like the distances traveled, the individuals served, the individual needs of those who are served, or the time when services are used. This disclosure is important to understand. The information being provided is to show the general impacts (based on averages) of development in the county and not determine the specific impact of each new individual.

With that in mind, the following tables identify the incurred cost of the four (4) developments to the county, the valuation of those projects (and lots), the taxes paid by the lots in those developments, and the net gain/loss to the county through property taxes.

It may be surprising to see the fiscal impact development has on the county. With the current taxing structure in Teton County and the State of Idaho, each new residence costs the county \$1,118.47 a year (based on these four (4) subdivisions). Granted, impact fees will help offset the costs for the first year, but every year after that, there is a running loss.

The largest loss in each subdivision comes to the schools, followed by Teton County. In two of the subdivisions, the cemetery taxing district did appear to make money, but that may be due to the fact that the average cost was determined using the county as a whole and not the individual cemetery districts.

		Hu	mble Creek	Subdivisior	At Build-	out			
Acres		60.67	Density		4.33	units/acre			
			Population						
			increase at build				Total		
Residences		14	out		40	people	Valuation	\$3,856,754.00	
Valu	ations						Improvement		
	1	<del></del>	Land Valuation	\$1,014,754.00	\$72,482.43	per res. lot	Valuation	\$2,842,000.00	\$203,000.00
	Cemetery (Victor-								
Service	Cedron)	Library	Mosquito	Ambulance	R&B Levy	Fire	School	County	
Levy Amount	0.000161021	0.000168239	0.0002	0.0004	0.000749823	0.001559540	0.003961409	0.002893557	
Taxes paid	\$621.02	\$648.86	\$771.35	\$1,542.70	\$2,891.88	\$6,014.76	\$15,278.18	\$11,159.74	
Cost			Cost to County			Property Taxes Paid		Gain	/Loss
Cemetery Budget (total of all									
cemeteries)	\$147,072.00		Residents						
cost per resident (average)	\$14.26		40						
		Total	\$572.88			\$621.02			\$48.14
Library Budget	\$447,268.00		Residents						
cost per resident	\$43.36		40						
		Total	\$1,742.21			\$648.86			-\$1,093.36
Mosquito	\$265,000.00		Residents						
cost per resident	\$25.69		40						
		Total	\$1,032.24			\$771.35			-\$260.89
Ambulance	\$503,772.00		Residents						
cost per resident	\$48.84		40						
		Total	\$1,962.31			\$1,542.70			-\$419.61
R&B Levy	\$1,000,000.00		Residents						
cost per resident	\$96.94		40						
		Total	\$3,895.23			\$2,891.88			-\$1,003.35
Fire	\$1,987,000.00		Residents						
cost per resident	\$192.63		40						
		Total	\$7,739.82			\$6,014.76			-\$1,725.06
School	\$5,285,029.00		Residents						
cost per resident	\$512.35		40			A.= · ·			A
		Total	\$20,586.40			\$15,278.18			-\$5,308.22
County	\$3,900,000.00		Residents						
cost per resident	\$378.08	Total	40 \$15,191.40			¢11.1F0.74			\$4.024.00
		Total	·			\$11,159.74			-\$4,031.66
	Total cost	to the County	\$52,722.49 \$3,765.89	Total Prop	erty taxes paid per unit	\$38,928.49 \$2,780.61			-\$13,794.00 -\$985.29
Population	10,315	per unit		 er assume NO home	•			per unit	->365.29

			Paradise	Springs S	Subdivision				
	Res	Total							
Acres	16.66	34	Densi	itv	4.16	units/acre		Average lot size	1.74 acre
Residences	10.00	9	Population		26	·	aluation		2,998,640.00
Residences		Land	ropalation	liner cuse	20	Improvement		, ,	2,330,040.00
Valuations		Valuation	\$514,640	Per Lot	\$ 57,182.22	Valuation	\$2,484,000.00	Per Lot	\$276,000.00
	Cemetery (Victor-		, , , , , , , , , , , , , , , , , , , ,		1 2 / 2		, , , , , , , , , , , , , , , , , , , ,		-,
Service	Cedron)	Library	Mosquito	Ambulance	R&B Levy	Fire	School	County	
Levy Amount	0.000161021	0.000337076	0.0002	0.0004	0.000746672	0.001592143	0.003970629	0.002965455	
Taxes paid	\$493.02	\$1,010.77	\$599.73	\$1,199.46	\$2,239.00	\$4,774.26	\$11,906.49	\$8,892.33	
Cost	<u>'</u>	. ,	Property		. ,	. ,	taxes Paid	Gain/Loss	
Cemetery Budget (total of all			Troperty	, созг		Поренц	taxes i aid	Guin, 2003	
cemeteries)	\$147,072.00		Residents						
cost per resident (average)	\$14.28		26						
			\$368.	79		\$49	3.02	\$ 124.23	
Library Budget	\$447,268.00		Residents						
cost per resident	\$43.42		26			1			
			\$1,121	55		\$1,010.77		\$ -110.78	
Mosquito	\$265,000.00		Residents						
cost per resident	\$25.73		26						
			\$664.	50		\$59	9.73	\$ -64.78	
Ambulance	\$503,772.00		Residents						
cost per resident	\$48.91		26						
			\$1,263	3.24		\$1,1	99.46	\$ -63.78	
R&B Levy	\$1,000,000.00		Residents						
cost per resident	\$97.08		26						
			\$2,507	7.56		\$2,2	39.00	\$ -268.56	
Fire	\$1,987,000.00		Residents						
cost per resident	\$192.90		26	1.52			74.26	ć 200 27	
Cabaal	¢E 20E 020 00		\$4,982	2.53		\$4,7	74.26	\$ -208.27	
School sect per resident	\$5,285,029.00 \$513.07		Residents 26						
cost per resident	\$513.07		\$13,252	) FF		¢11.0	906.49	\$ -1,346.07	
County	\$3,900,000.00		Residents	۷.၂၂		\$11,5	700.43	Ş-1,540.U/	
cost per resident	\$3,900,000.00		26			<del></del>			
cost per resident	Ş376.0I		\$9,779	9.50		\$8.8	92.33	\$ -887.17	
		I	<del>+3,,,,</del>		Total Property taxes	70,0		7 007.127	
	Total cos	t to the County	\$ 33,940.24		paid		\$31,115.06		\$ -2,825.18
	10ta1 t03	Per Unit	\$ 3,771.14		Paid	Per Unit	\$3,457.23	per unit	\$ -313.91
Population	10,301	. 3. 0	+ -,	These	number assume NO hon			F	7 0-0.32

			Red F	ox Rai	nch Suk	odivision				
Acres		67.25	Density		2.04	units/acre	Average lot size	2.42	acre	
Residences		33	Population inc	crease	95					
		Land					Improvement			
١	Valuations		\$ 1,282,000.00		per lot	\$ 75,411.76	Valuation	\$ 2,805,000 p	er lot	
Service	Cemetery Driggs/Darby	Library	Mosquito Ambula			R&B Levy	Fire	School		County
Levy Amount	.000079919	0.000337076				3961409	0.002893557			
Taxes paid	\$ 326.63	\$ 1,377.63	\$ 817.40	\$ 1,634	.80	\$ 3,064.53	\$ 6,373.84	\$ 16,190.28	3	\$ 11,825.97
	Cost		Property C	ost		Property	Taxes Paid		Gain/Lo	oss
Cemetery Budget (total of all cemeteries)	al of all		Residents							
cost per resident										
(county average)	\$ 14.18		95							
	4		\$ 1,343.2	16		\$ 537.62		-\$ 805.64		
Library Budget	\$ 447,268.00		Residents							
cost per resident	\$ 43.13		95			4000==1		4.0.==		
D. A. a. a. vitta	¢ 265 000 00		\$ 4,085.0	15		\$ 2,267.51		-\$ 1,817.5	1	
Mosquito	\$ 265,000.00		Residents							
cost per resident	\$ 25.56		95 \$ 2,420.3	2		¢ 1 245 40		¢ 1 074 0	<u> </u>	
Ambulance	\$ 503,772.00		Residents	13		\$ 1,345.40		- \$ 1,074.93	) 	
cost per resident	\$ 48.58		95							
cost per resident	\$ 40.36		\$ 4,601.1	2		\$ 2,690.80		-\$ 1,910.32		
R&B Levy	\$ 1,000,000.00		Residents			\$ 2,030.00		Ų 1,510.52		
cost per resident	\$ 96.43		95							
cost per resident	<b>\$ 50.10</b>		\$ 9,133.3	3		\$ 5,022.86		- \$ 4,110.4	7	
Fire	\$ 1,987,000.00		Residents			, ,,,		1 / -		
cost per resident	\$ 191.62		95							
·			\$ 18,147.9	93		\$ 10,710.35		- \$ 7,437.58	3	
School	\$ 5,285,029.00		Residents							
cost per resident	\$ 509.66		95							
_			\$ 48,269.9	92		\$ 26,710.42		- \$ 21,559.	50	
County	\$ 900,000.00		Residents							
cost per resident	\$ 376.10									
			\$35,619.9	99		\$ 19,948.62		- \$ 15,671.	38	
	Total Cost to the County		\$ 123,620.93		Taxes Paid	\$ 69,223.57		Total loss/year	-¢ 5	4,387.36
	Total cost to the county	Per Unit	\$3,764.09		Per Unit	\$ 2,097.99		Per unit		648.10
Population	10,324	These numbers assume NO homeowner exemptions are provided.								

						V	Vest Ri	idge Ra	anch PUD						
Acres	332.81	D	ensity	2.77	units/a										
Residences	120	Populat	ion increase	344	people	•	Averag	e Lot Size	1.00	Acre	Total Val	uation		\$21,015	5,000
		and							Improvement		Per			Valuation	
Valuatio	ons \	/aluation		\$1,815			Per Lot	\$15,125	Valuation	\$19,200	,000 Lot	\$160,000		per lot	\$175,1
Service	Cemetery		Library	Mosq	uito		Ambulance		R&B Levy		Fire	Schoo	ol		County
Levy															
Amount	.0	00196744	0.00033	7076	0	.0002		0.0004	0.00	0746672	0.0015921	43		0.003970	629 0.0029655
Taxes paid		\$4,134.58	\$7,08	33.65	\$4,2	03.00		\$8,406.00	\$1	.5,691.31	\$33,458.	89		\$83,442	2.77 \$62,320
	Со	st					Property	/ Cost			Property T	axes Paid		Gain/Los	5
Cemetery Bud															
all cemeteries			\$ 147,072.00			Resid	ents								
cost per resid	ent (county							<u> </u>		·					
average)			\$13.85					344							
								\$4,769.72					\$4,134.58	\$ -63!	5.15
Library Budge			\$447,268.00			Resid	ents								
cost per resid	ent		\$42.12					344							
			40.5-000.00					14,505.44					\$7,083.65	\$ -7,4	21.79
Mosquito			\$265,000.00			Resid	ents	244							
cost per resid	ent		\$24.95					\$8,594.27					ć4 202 00	Ċ 4.2	01.27
Ambulance			\$503,772.00			Resid		\$8,594.27					\$4,203.00	\$ -4,3	91.27
cost per resid	ont		\$47.44			Resid	ents	344							
cost per resiu	ent		747.44				-	516,337.94					\$8,406.00	\$ -7 0	31.94
R&B Levy			1,000,000.00			Resid		710,337.34					70,400.00	7 7,5	1
cost per resid	ent	¥	\$94.17			rtesie	Circs	344							
			72				5	32,431.21					\$15,691.31	\$ -16,	739.90
Fire		Ş	51,987,000.00			Resid									
cost per resid	ent		\$187.11					344							
							Ş	64,440.82					\$33,458.89	\$ -30,	981.93
School		Ş	5,285,029.00			Resid	ents								
cost per resid	ent		\$497.68				· · · · · · · · · · · · · · · · · · ·	344		· · · · · ·					
							\$1	71,399.89					\$83,442.77	\$ - 87	,957.12
County		Ş	3,900,000.00			Resid	ents								
cost per resid	ent		\$367.25					344							
							\$1	26,481.72					\$62,319.04	\$ -64,	160.78
		Total	cost to the Co	ounty				38,961.01	Total Property	y taxes pai	d		218,974.73		\$ -220,221
						Per u	nit \$ 3,	658.01	Per	unit		\$1,822.83	3	Per unit	\$ -1,835

# **Specific Impacts to Schools and Roads**

In Teton County, there is continuous discussion about our roads and our schools; they are very important to us. As such, it is important to take a closer look and see how development impacts these two services.

## Schools

The table below presents two scenarios for each subdivision. The first shows what the effect is at build out, while the second show only partial build out. The cost per student is constant across the developments (\$8,286), but the amount of taxes paid towards the schools varies greatly between the developments. This can be attributed to the variation in valuations between the subdivisions. However, regardless of the valuations, the numbers show that the school district would need to find additional funds for each student that property tax is intended to cover. Keep in mind that only 34.5% of the school district's budget comes from property taxes. The table takes this into account and shows that there is a loss of \$274 to \$901 to the school district that property taxes should be covering, depending on the development.

Subdivision	Red Fox (Build Out)	Red Fox (Partial)	West Ridge (Build Out)	West Ridge (Partial)	Paradise Springs (Build Out)	Paradise Spring (Partial)	Humble Creek (Build Out)	Humble Creek (Partial)		
Units	33	13	120	6	9	3	14	8		
Population	49	37	344	17.22	26	9	40	23		
Average Household Size	2.87	2.87	2.87	2.87	2.87	2.87	2.87	2.87		
School age Children	18	7	67	3	5	2	8	4		
Cost to school district/year	\$152,783.76	\$60,187.54	\$555,577.32	\$27,778.87	\$41,668.30	\$13,889.43	\$64,817.35	\$37,038.49		
Portion of Taxes NEEDED to cover cost (34.5%)	\$52,710.40	\$20,764.70	\$191,674.18	\$9,583.71	\$14,375.56	\$4,791.85	\$22,361.99	\$12,778.28		
School taxes paid/year	\$26,710.42	\$10,522.29	\$83,442.77	\$4,172.14	\$11,906.49	\$3,968.83	\$15,278.18	\$8,730.39		
School taxes paid/year/Unit	\$809.41	\$809.41	\$695.36	\$695.36	\$1,322.94	\$1,322.94	\$1,091.30	\$1,091.30		
Difference for Whole Subdivision/Year	-\$25,999.98	-\$10,242.42	-\$108,231.41	-\$5,411.57	-\$2,469.08	-\$823.03	-\$7,083.81	-\$4047.8		
Difference Per unit/Year	-\$787.88	-\$787.88	-\$901.93	-\$901.93	-\$274.34	-\$274.34	-\$505.99	-\$505.99		
Assumptions:	School Age Childr	en/Household:	0.558751027 Census Data)	(US		School District Cost/Student:	\$ 8,286	5.00		
The partial numbers rep	The partial numbers represent the number of homes currently in these subdivisions.									

## Roads

When it comes to roads, a specific analysis of how new development will affect each of the roads is warranted. The table below identifies the types and distances of road each development utilizes for access (off of a State Highway), as well as the number of trips at build out. Also, by utilizing the traffic counts that Teton County has acquired over the last few years, we have an understanding of what current traffic patterns are on these roads. By combining this information, we can gain a clearer picture of what impact a new development will have on the roads. West Ridge Ranch PUD does have the largest impact on the roads mainly because 1) it has the most number of units and 2) it is the second furthest away from a highway at 8.46 miles. At build out, the lifecycle of the road would go from six (6) years (as it is today) to just over 2 years. That means 4000 North would have to be rebuilt every other year, as opposed to every six (6) years as it is currently scheduled. At the other end of the spectrum, Humble Creek only utilizes 0.4 miles of road off of a State Highway. At build out, there is a decrease of three (3) months of the life cycle, but the taxpayers in that development are actually subsidizing the roads for other developments, such as West Ridge Ranch.

Subdivision	Red Fox (Build Out)	West Ridge (Build Out)	Paradise Springs (Build Out)	Humble Creek (Build Out)
Units	33	120	9	14
Average Daily Trip Rate	6	6	6	6
Average NEW Daily Trips	198	720	54	84
Asphalt	(Ski Hill)		(Bates)	
Miles	3.27		9.75	
Existing Trips	*		843	
New Trips	198		54	
Total Trips	*		897	
Old Life Cycle	240		240.00	
New Life Cycle	192.38		224.82	
Old Cost per Month	\$ 11,611.74		\$ 34,622.17	
New Cost Per Month	\$ 14,485.65		\$ 36,959.17	
	Red Fox (Build Out)	West Ridge (Build Out)	Paradise Springs (Build Out)	Humble Creek (Build Out)
Chip Seal		(4000 N)		(2000 W.)
Miles		7.52		0.4
Existing Trips		189		140
New Trips		720		84
Total Trips		909		224
Old Life Cycle (Months)		72		72
New Life Cycle (Months)		26		69
Old Cost per Month		\$ 13,645.48		\$ 725.82
New Cost Per Month		\$ 38,207.34		\$ 752.78
	Red Fox (Build Out)	West Ridge (Build Out)	Paradise Springs (Build Out)	Humble Creek (Build Out)
Gravel		(8000 W)	g , , , , , , , , , , , , , , , , , , ,	
Miles		0.94		
Existing Trips		56		
New Trips		720.00		
Total Trips		776.00		
Old Life Cycle		84		
New Life Cycle		30.00		
Old Cost per Month		\$ 911.28		
New Cost Per Month		\$ 2,551.57		
	Red Fox (Build Out)	West Ridge (Build Out)	Paradise Springs (Build Out)	Humble Creek (Build Out)
Total New Cost per Year	\$ 173.827.79	\$ 489.106.95	\$ 443.509.98	\$ 9,033.39
Total Cost/Year for new	T =,	7,	T 113,555	T -/
subdivision	\$ 34,486.88	\$ 314,425.89	\$ 28,043.96	\$ 323.51
Road taxes paid/year	\$ 5,022.86	\$ 15,691.31	\$ 2,239.00	\$ 2,891.88
Difference for Whole	7 -/	T,	, ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	
Subdivision/Year	\$ - 29,464.01	\$ - 298,734.58	\$ -25,804.96	\$ 2,568.37
Difference Per unit/Year	\$ - 892.85	\$ - 2,489.45	\$ - 2,867.22	\$ 183.46
	fe Cycle Based on Maximum numl			L

### Residential Development vs. Commercial Development

The other area that needs attention is the comparison between commercial development and residential development. When it comes to the cost incurred to the county from these two types of developments, it is not an easy straight comparison. The previous analysis on residential development utilized the number of residents to determine the cost of services. Commercial developments do not have residents, so a cost by acre approach was utilized. This determines the basic cost of services for the county for each acre of private land. Utilizing this approach, we can compare the cost of services incurred by residents versus the cost of services incurred by commercial development. This approach does not take into account specific attributes of the businesses, such as if they place a higher demand on the services than any other business. This approach also considers the demand on services equal for every type of use, so a commercial acre, residential acre, and agricultural acre all have the same demand.

The first table is a comparison of residential land cost per acre and the commercial land cost per acre. Here again, the cost incurred for residential developments comes from the number of citizens rather than the acreage. It does demonstrate the impact under our current taxing structure of developing residential land versus commercial land.

The second table compares side by side the amount of taxes paid for each service, the cost incurred by the property (or residents), the difference between the cost and what was paid, and finally the tax rate for each of the properties. The data shows that commercial developments incur a much smaller cost than the residential developments, while paying more in taxes.

Comparison of Residential and Commercial Development (per acre)							
	Residential	Commercial					
Total Acre	494.73	110.182					
New units	160						
Average Acres/Development	123.6825	22.0364					
Average Density	3.0920625						
Total Cost	\$ 649,244.68	\$ 9,204.71					
Average Cost/Development	\$ 162,311.17	\$ 1,840.94					
Average Cost per unit	\$ 4,057.78						
Cost/Acre	\$ 1,312.32	\$ 83.54					
Total Taxes	\$ 358,856.00	\$ 84,752.82					
Taxes/unit	\$ 2,242.85						
Taxes/Acre	\$ 725.36	\$ 769.21					
Gain/Loss per Acre	\$ - 586.96	\$ 685.67					
Gain/Loss per Res. unit	\$ - 1,814.93						

Residential vs. Commercial Development											
Name		Red Fox	Longhorn	West Ridge	Valley Lumber	Paradise Springs	Kings	Humble Creek	MD Nursery	Wardrobe	
Acreage	_	45.21	10	329.69	4.15	37.4	2.01	56.04	93.315	0.707	
Additional Cost	t Based on residents	\$123,620.93	_	\$438,961.01		\$33,940.24	_	\$52,722.49	_		
Additional Cost	l Based on residents	\$123,020.93		\$438,901.01		\$33,940.24		\$52,722.49			
Cities	Varies				\$ 360,514.00		\$ 378,159.00			\$ 378,159.00	
cost per acre					\$ 163.75		\$ 214.08			\$ 214.08	
Tax amount					\$ 679.57		\$ 430.31			\$ 151.36	
Cemetery	Varies	\$30,989.00	\$30,989.00	\$7,503.00	\$89,319.00	\$89,319.00	\$30,989.00	\$89,319.00	\$30,989.00	\$30,989.00	
cost per acre		\$1.12	\$1.12	\$0.30	\$3.16	\$3.16	\$1.12	\$3.16	\$1.12	\$1.12	
Tax amount		\$75.25	\$11.19	\$99.20	\$13.11	\$107.44	\$2.25	\$191.71	\$104.42	\$0.79	
Library	\$447,268.00	\$447,268.00	\$447,268.00	\$447,268.00	\$447,268.00	\$447,268.00	\$447,268.00	\$447,268.00	\$447,268.00	\$447,268.00	
cost per acre	\$2.37	\$2.37	\$2.37	\$2.37	\$2.37	\$2.37	\$2.37	\$2.37	\$2.37	\$2.37	
Tax amount		\$159.29	\$23.69	\$788.28	\$9.83	\$80.53	\$4.76	\$143.70	\$221.02	\$1.67	
Mosquito	\$265,000.00	\$265,000.00	\$265,000.00	\$265,000.00	\$265,000.00	\$265,000.00	\$265,000.00	\$265,000.00	\$265,000.00	\$265,000.00	
cost per acre	\$1.40	\$1.40	\$1.40	\$1.40	\$1.40	\$1.40	\$1.40	\$1.40	\$1.40	\$1.40	
Tax amount		\$94.37	\$14.03	\$467.05	\$5.82	\$47.71	\$2.82	\$85.14	\$130.95	\$0.99	
Ambulance	\$503,772.00	\$503,772.00	\$503,772.00	\$503,772.00	\$503,772.00	\$503,772.00	\$503,772.00	\$503,772.00	\$503,772.00	\$503,772.00	
cost per acre	\$2.67	\$2.67	\$2.67	\$2.67	\$2.67	\$2.67	\$2.67	\$2.67	\$2.67	\$2.67	
Tax amount		\$179.41	\$26.68	\$887.87	\$11.07	\$90.70	\$5.36	\$161.85	\$248.94	\$1.89	
R&B Levy	\$1,000,000.00	\$1,000,000.00	\$1,000,000.00	\$1,000,000.00	\$1,000,000.00	\$1,000,000.00	\$1,000,000.00	\$1,000,000.00	\$1,000,000.00	\$1,000,000.00	
cost per acre	\$5.30	\$5.30	\$5.30	\$5.30	\$5.30	\$5.30	\$5.30	\$5.30	\$5.30	\$5.30	
Tax amount		\$356.13	\$52.96	\$1,762.44	\$21.98	\$180.05	\$10.64	\$321.29	\$494.16	\$3.74	
Fire	\$1,987,000.00	\$1,987,000.00	\$1,987,000.00	\$1,987,000.00	\$1,987,000.00	\$1,987,000.00	\$1,987,000.00	\$1,987,000.00	\$1,987,000.00	\$1,987,000.00	
cost per acre	\$10.52	\$10.52	\$10.52	\$10.52	\$10.52	\$10.52	\$10.52	\$10.52	\$10.52	\$10.52	
Tax amount		\$707.63	\$105.22	\$3,501.96	\$43.67	\$357.76	\$21.15	\$638.39	\$981.90	\$7.44	
School	\$5,285,029.00	\$5,285,029.00	\$5,285,029.00	\$5,285,029.00	\$5,285,029.00	\$5,285,029.00	\$5,285,029.00	\$5,285,029.00	\$5,285,029.00	\$5,285,029.00	
cost per acre	\$27.99	\$27.99	\$27.99	\$27.99	\$27.99	\$27.99	\$27.99	\$27.99	\$27.99	\$27.99	
Tax amount		\$1,882.16	\$279.88	\$9,314.54	\$116.15	\$951.58	\$56.25	\$1,698.00	\$2,611.66	\$19.79	
County	\$3,900,000.00	\$3,900,000.00	\$3,900,000.00	\$3,900,000.00	\$3,900,000.00	\$3,900,000.00	\$3,900,000.00	\$3,900,000.00	\$3,900,000.00	\$3,900,000.00	
cost per acre	\$20.65	\$20.65	\$20.65	\$20.65	\$20.65	\$20.65	\$20.65	\$20.65	\$20.65	\$20.65	
Tax amount		\$1,388.91	\$206.53	\$6,873.51	\$85.71	\$702.20	\$41.51	\$1,253.01	\$1,927.23	\$14.60	
Cost based on acres	\$70.90	\$4,843.16	\$720.17	\$23,694.84	\$986.91	\$2,517.98	\$575.06	\$4,493.11	\$6,720.29	\$202.27	
Cost based	\$7.0.30	<del>74</del> ,043.10	\$120.11	723,034.04	\$300.31	72,317.30	7373.00	7 <del>4</del> ,433.11	Ş0,720.23	\$202.21	
on residents		\$123,620.93		\$438,961.01		\$33,940.24		\$52,722.49			
Actual Paid		\$68,914.00	\$2,972.12	\$218,952.00	\$14,316.38	\$31,063.00	\$28,584.12	\$39,927.00	\$27,704.66	\$11,175.54	
Difference		-\$54,706.93	\$2,251.95	-\$220,009.01	\$13,329.47	-\$2,877.24	\$28,009.06	-\$12,795.49	\$20,984.37	\$10,973.27	
Maliani.		AC 727 000 00	6240 450 00	624 045 000 53	6042.270.00	62.000.512.00	¢2.004.552.00	62.056.754.03	64.000.055.00	67F7 200 05	
Valuation		\$6,727,000.00	\$249,150.00	\$21,015,000.00	\$942,270.00	\$2,998,640.00	\$2,091,660.00	\$3,856,754.00	\$4,009,655.00	\$757,390.00	
Tax Rate		1.024%	1.193%	1.042%	1.519%	1.036%	1.367%	1.035%	0.691%	1.476%	

#### Conclusion

The purpose of this paper is to provide information about our current taxing system and the fiscal impacts of development specifically in Teton County, Idaho. The data was gathered from Teton County, U.S. Census Bureau, State of Idaho, and other professional sources (traffic counts came from nationally accepted numbers). The data presented was only of presenting this data and analyzing it. There may be other ways that are more or less accurate, but this approach seemed to be the best based on the available data.

Some of the key findings that are important to remember as we make land use decisions include:

- 1. The State of Idaho limits the amount of budget increase to 3% every year, no matter what the population increase is.
- 2. Nearly 80% of the lots created since 1990 are currently sitting vacant.
- 3. Mainly due to the lack of demand on services Agricultural land produces a small positive return on taxes.
- 4. With each new residence the county there is an additional cost of services/taxes collected difference of \$1,118.47 (based on the four case studies).
- 5. The distance off of the highway, and number of trips created to in fact negatively impact maintenance costs.
- 6. The school district experiences negative returns on the county property tax portion of their budget with increased population.
- 7. Commercial property tax returns at a much higher rate then residential property taxes.

By understanding the fiscal impacts of development, better decisions can be made to protect the taxpayers of Teton County and the character of the county. By no means is this paper supporting the idea of stopping development or only approving commercial development. The purpose of this work was to help clarify the picture of what happens when development is approved.